

THE NATIONAL BIOMASS PARTNERSHIP ACTIVITIES UPDATE

June 2006

Alabama

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The Alabama Department of Economic and Community Affairs (ADECA) - Energy, Weatherization and Technology (EWT) Division awarded an energy conservation grant in the amount of \$75,000 to H. G. Browder Veneer in Highland Home, Alabama. H. G. Browder Veneer is being funded to install a wood-fired boiler to provide steam for heating logs and drying veneer. The boiler will be fired using bark, sawdust and hardwood production waste. H. G. Browder Veneer manufactures rotary cut southern hardwood veneer, lumber and crossties. Estimated energy savings for this project exceed \$465,000 annually. The grant is funded with oil overcharge funds from the U. S. Department of Energy to reduce energy consumption.

ADECA-EWT also issued a Request for Proposals (RFP) in the amount of \$50,000 for commercially available renewable energy technology demonstration projects involving biofuels, biomass, solar and/or biogas applications. Projects must include a strong outreach component. Eligible applicants include non-profit organizations, state and local government entities, colleges and universities. Proposals are due June 16, 2006.

www.adeca.alabama.gov

Indiana

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The Indiana State Department of Agriculture and the Indiana Office of Energy and Defense Development (OED), in partnership with the Midwest CHP Application Center held a workshop on 6/6/06 in Peru, IN. The goal of the workshop was to disseminate information about methane digestion and CHP applications using the resulting biogas. The workshop was well attended with around 100 people from dairies, pork farms, engineering firms, government entities, and universities.

The Indiana State Department of Agriculture in partnership with the Central Indiana Clean Cities Alliance and General Motors will be hosting the Ethanol Leadership Summit on 6/28/2006 at the Indianapolis Colts training facility. The summit is geared toward local leaders, with 837 invitations sent out to commissioners, mayors, and town clerks. The purpose of the summit is to create E85 leadership at the local level. The summit will focus on the purchase of FFVs for local fleet vehicles and how to make E85 available to those vehicles.

Indiana currently has 35 stations retailing E85 and our 2006 goal of 40 stations is expected to be reached by mid-summer.

For CHP information: <http://www.chpcentermw.org/home.html>;

Central Indiana Clean Cities Alliance website: www.cicca.org;

For Indiana E85 fueling locations: <http://www.in.gov/energy/pumpmap/>

Iowa

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On June 7th the Iowa Department of Natural Resources presented Wood-to Energy: Iowa Wood By-Products Workshop, bringing together wood by-product generators, wood energy end users, fuel pellet producers, entrepreneurs, industrial wood energy users, utilities, and state facilities end users of wood.

Massachusetts

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DOER announced on June 2, 2006, its intention to revise the regulations for RPS. A Public Hearing on the proposed revisions, as well as on the concurrently issued draft *Guideline on the RPS Eligibility of Biomass Generation Units*, will be held in Boston on June 28. Interested persons are invited to provide oral statements at the Hearing and/or written comments. The deadline for initial written comments is July 6; for final written comments July 18, 2006.

www.mass.gov/doer/rps

Michigan

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MBEP Grantee MSU Extension in Ottawa County worked with Frazier Barnes Associates to complete the Great Lakes Region's first Community Anaerobic Digester Feasibility Study as of April 30, 2006. It is a landmark study not only for its focus on regional swine producer collaboration, but also for its analysis of gas sales and co-product valuation. This study does not focus on electricity generation as the primary profit center.

MBEP recommended John Ball Zoological Garden for an \$18,400 Biomass Energy Grant award to perform a feasibility study on the use of all organic residues and waste water to produce energy and co-products from anaerobic digestion. Ideally, this study will help other zoos meet rising costs by taking advantage of locally abundant waste resources. This grant was awarded in May 2006.

www.michigan.gov/biomass

New York

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Effective July 1, 2006 New York will have a residential tax credit for heating oil blended with biodiesel. Governor Pataki signed the legislation on May 22, 2006. The credit is equal to one cent per percentage blend of biodiesel – a 5% biodiesel blend would receive a five-cent per gallon tax credit. The credit is good up to B20. The New York credit is in addition to federal tax credits that blenders receive and are passed to the consumer through the price of the blend. As a tax credit the consumer must keep all records and receipts and file for the credit on their New York State income taxes. The consumer can receive the tax credit even if they do not have taxable income. All biodiesel blended with heating oil must meet ASTM 6751.

New Hampshire

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WasteCap will host a renewable energy conference targeted to businesses, municipal government, and school districts, July 25 in Manchester, NH. The workshop will highlight successful applications of renewable energy in buildings, and the use of biofuels, ethanol and biodiesel. WasteCap Resource Conservation Network is an initiative of the [Business & Industry Association of New Hampshire](#). WasteCap's goal is to help businesses save money and conserve natural resources by providing free, confidential assistance in reducing solid waste, conserving energy and water, and preventing pollution. The conference is being cosponsored by the Northeast Regional Biomass Program.

Ohio

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The Ohio Bioproducts Innovation Center is a new research alliance headquartered at The Ohio State University that joins academia and industry in development of renewable specialty chemicals, polymers/plastics, and advanced materials. The Center was funded in 2005 by the Ohio Department of Development through an \$11.5 million Wright Center of Innovation (Third Frontier) award, leveraged with matching funds from industry alliance members. OBIC builds on the strength of Ohio's major agriculture and chemicals, plastics and rubber materials industries.

<http://bioproducts.osu.edu/>

Oklahoma

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The OK Energy Office has just announced significant funding to the University of Oklahoma, Oklahoma State University and the Nobel Foundation for work in plant genomes and deconstruction of lignocellulosic plant matter to produce ethanol. They also are holding a national conference in October on biofuels.

Pennsylvania

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In May, Pennsylvania Governor Edward Rendell launched an initiative to replace 900 million gallons of transportation fuels used annually in the State with renewable biofuels and coal derived liquids by 2017. A study commissioned by The Center for Energy, Enterprise, and Environment has concluded that the PFI will have significant positive economic impact on the State. The economic analysis found that the biofuels industry would spend \$3.5 billion, mostly on corn, soybeans, recycled fats and oils, and cellulosic feedstocks required to make ethanol and

biodiesel. Half of the corn and 2/3 of the fats and oils would be produced by Pennsylvania farmers. The study also concluded that the instate production of transportation fuels will generate over 25,000 new jobs in all sectors of the State economy.

South Carolina

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The South Carolina Energy Office has created the South Carolina Biomass Council to recommend policy and serve as an advocacy group for biomass energy production and use. There are over 35 biomass energy stakeholders serve on the Council, which is chaired by Dr. Nick Rigas, Director of the South Carolina Institute for Energy Studies. Working committees include Solid Waste Fuels, Gaseous Fuels, Liquid Fuels, Other Biomass Products, and Public Policy and Incentives. Legislative recommendations are due December, 2006.

www.scbiomass.org and www.energy.sc.gov

South Carolina

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The South Carolina General Assembly has passed a comprehensive set of incentives for production and use of ethanol and biodiesel fuels. The legislation includes tax incentives for (1) purchase of flex-fuel vehicles, (2) purchase of equipment to produce ethanol or biodiesel, (3) actual production of ethanol or biodiesel, (4) purchase of equipment to store and dispense ethanol or biodiesel, and (5) purchase of E85 and B20 motor fuels. The legislation also creates a Strategic and Tactical Research on Energy Independence Commission (STREIC) to assess current legislation and recommend improvements. The legislation is contained in H. 3810, Proviso 72.113, and in S. 1245, Section 36.

www.scstatehouse.net and www.energy.sc.gov

US Virgin Islands

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The Memorandum of Agreement (MOA) between the Virgin Islands Energy Office and the Virgin Islands Waste Management Authority was forwarded for signature. (See April and May Editions for further information.)

Vermont

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As part of a week-long meeting of the Northeast Utilization & Marketing Council, Vermont forester and NRBP representative Paul Frederick worked with NRBP staff to convene a panel of experts to discuss the health of the logging and biomass harvesting industry. It has been long understood that a healthy logging and harvesting industry is critical to expansion of bioenergy. Recently, there has been a concern that the loss of loggers, and harvesting infrastructure in general, will have a long-term impact on the forest products industry and forest health. The session was designed to explore the status of the logging and harvesting industry, whether the concern about the loss of loggers is valid, and whether or not that loss of infrastructure is shared by all regions of the country or confined to New England and New York. A panel of experts each provided a brief assessment of the health of the logging industry in the Northeast and compared it to other parts of the country. Following presentations by the panel, an open forum with the state forestry representatives discussed possible actions for near-term and longer-term actions to stabilize and expand the logging / harvesting industry.

Panelists included: Bill Kropelin, Chief Forester, Burlington Electric Dept.; Terry Mace, Wood Utilization & marketing Specialist, WI DNR; Joel Swanton, Northeast Technical Division Manager, Forest Resources Assoc; and Denny Perry, Placement Coordinator, Otsego Area Occupational Center. The Panel was moderated by Rick Handley of the NRBP. A report and recommendations on future action will be available later this summer.

Western States

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At their Annual Meeting June 11-13, the Western Governors passed 2 resolutions dealing with biomass. In the first resolution, Clean and Diversified Energy for the West, the Governors accepted the recommendation from the Clean and Diversified Energy Initiative. This included 10 recommendations on biomass.

The 2nd resolution, Transportation Fuels for the Future, stated the Governors' commitment to developing alternative energy fuels including cellulosic ethanol. The Governors support full funding for the DOE Biomass and Biorefinery Systems R&D, smaller demonstration projects, and the National Biomass Partnership. The WGA will work with the Governors Ethanol Coalition, states, and federal agencies to implement the resolution.

www.westgov.org

Northeast Regional Biomass Program (NRBP)

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As state policymakers grapple with the recent run-up in gasoline prices, the CONEG Policy Research Center prepared an Energy Fact Sheet entitled, "MTBE, Ethanol and the Current Price of Gasoline." Developed for non-energy officials and the general public, the Fact Sheet looks specifically at the federal regulatory changes that resulted in the elimination of MTBE, the industry's switch to ethanol, and the effect of these changes on the recent run-up in gasoline prices. NRBP staff served as a technical resource on ethanol markets and blending for the report. The Fact Sheet notes that the switch from MTBE to ethanol in gasoline creates some market and logistical challenges for distribution of ethanol-blended gasoline – but that these can be met with adequate advance notice and planning, as demonstrated by the experiences of New York and Connecticut which banned MTBE in gasoline in 2004, with little impact on gasoline prices.

The NRBP has also completed a matrix of biofuel incentives for Northeast states. The matrix provides states with a handy reference of what actions other neighboring states are taking to support biofuel use and production. Both documents are available from the NRBP and will soon be on the NRBP web site.

www.nrbp.org